

FIGURES | SAN ANTONIO INDUSTRIAL | Q3 2026

Vacancy continues to tighten; additional manufacturing coming to South submarket

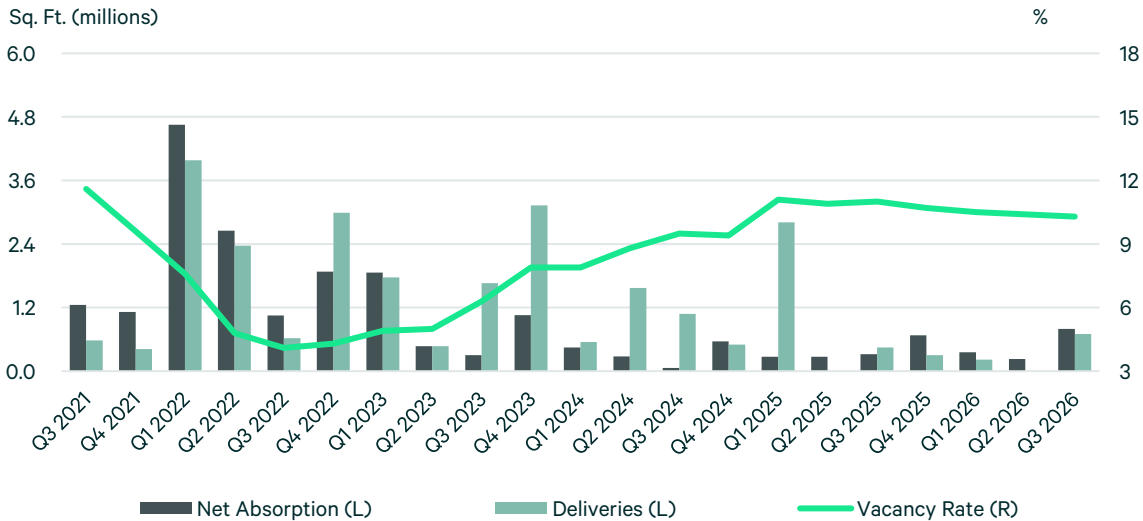


Note: Arrows indicate change from previous quarter.

Market Overview

- Market conditions tightened modestly in Q3 2026, as demand strengthened and vacancy and availability edged lower quarter-over-quarter. Net absorption, driven by a combination of tenant and owner/user activity, climbed to 796,000 sq. ft. in a significant quarter-over-quarter increase from 233,000 sq. ft.
- Overall vacancy has declined slowly and steadily after a Q1 2025 peak of 11.1%, falling 10 bps quarter-over-quarter to 10.3% as of the current quarter; direct vacancy fell 20 bps quarter-over-quarter to 9.7% while sublease vacancy climbed to 0.5%, accounting for a small but growing portion of the market’s vacant inventory this quarter. The South submarket recorded the lowest overall vacancy at 5.0%, followed by the CBD at 6.5%. At the other end of the spectrum, the Northeast submarket posted the highest overall vacancy at 12.6%.
- Leasing activity was particularly strong, rising from 2.71 million sq. ft. in Q2 2026 to 2.91 million sq. ft. in Q3 2026 and driving a 110-bp quarter-over-quarter drop in availability, which declined to 10.2%. As construction activity eased from 2.86 million sq. ft. to 2.44 million sq. ft. and deliveries were limited to 698,000 sq. ft., near-term supply pressure remained contained.
- Asking rent increased from \$8.52 to \$8.81 per sq. ft., representing a 3.4% increase quarter-over-quarter and a 5.0% gain year-over-year.

Historical Net Absorption, Deliveries, and Vacancy



CBRE Research

Construction Activity

San Antonio’s under-construction pipeline shrank by 14.8% to 2.44 million sq. ft. in Q3, reflecting a contained construction pipeline as developers keep a close eye on market conditions. Just one 3-building project, Eisenhower Logistics Park, delivered a total of 697,617 sq ft. in Q3.

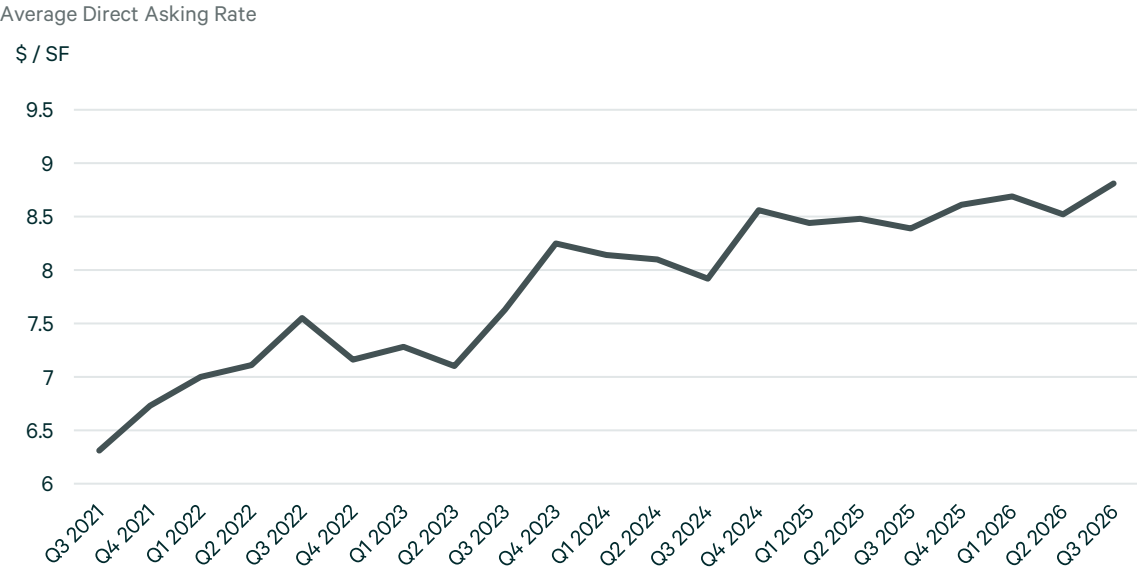
Construction activity is largely concentrated in the South submarket with 1.5 million sq. ft. underway, anchored by the JCB Manufacturing Facility at 1.00 million sq. ft. and Toyota’s 500,000 sq. ft. Rear Axle Facility; the Northeast submarket follows closely behind with 930,000 sq. ft. underway.

In addition to the pipeline underway, several large projects were added to San Antonio’s planned and proposed pipeline, including IEM’s expansion into a 1 million sq. ft. facility at Brooks in the South submarket, along with an additional 2.5 million sq. ft. assembly line at Toyota Texas, bringing Tacoma truck manufacturing to Texas from its current location in Baja California.

Economic Overview

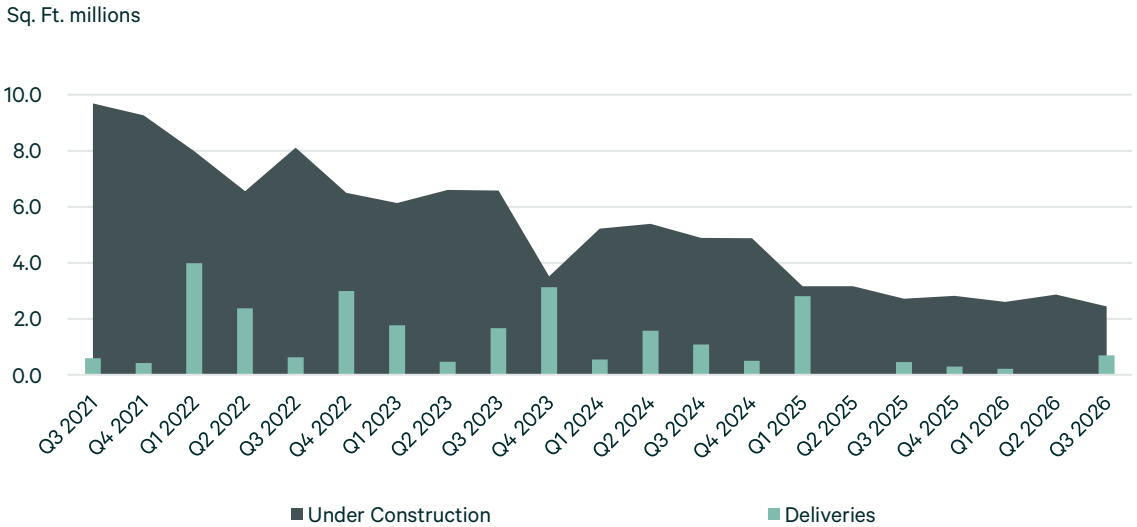
Notable challenges persist, from elevated energy costs and interest rates to lingering geopolitical and technological uncertainties. Despite these concerns, the U.S. economy remains on track to grow by over 2% during 2026, supported by impressive AI-driven business investment. Also, a generally stable labor market continues to underpin consumer activity, providing a cushion against other risks.

The final months of 2026 could prove pivotal. While economic growth supports healthy CRE occupier market fundamentals, the investment side of the market must contend with 5% Treasury yields. Signals from the Federal Reserve, inflation data, and global fixed-income markets suggest rates will remain elevated for the foreseeable future. A key upside catalyst would be a de-escalation in the U.S./Iran conflict, which could ease inflation and provide the Fed with more flexibility.



CBRE Research

Construction Activity



CBRE Research

Market Statistics by Submarket

Figure 6

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
CBD	1.97M	6.5	7.9	7.9	-	13.36	2,000	(3,000)	-	-
North Central	12.35M	7.2	9.9	9.5	0.4	12.21	163,000	188,000	-	-
Northeast	86.54M	12.6	12.1	11.3	0.8	7.68	606,000	1.18M	698,000	939,000
Northwest	16.34M	8.7	10.4	9.5	0.9	12.11	(169,000)	(359,000)	-	-
South	25.66M	5.0	4.1	3.5	0.6	8.15	194,000	387,000	-	1.50M
Total	142.87M	10.3	10.2	9.5	0.7	8.81	796,000	1.39M	698,000	2.44M

Source: CBRE Research, Q3 2026

Market Statistics by Class

Figure 7

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	19.97M	32.0	25.6	25.3	0.3	7.83	531,000	1.33M	698,000	475,000
Institutional	14.65M	40.2	30.5	30.4	0.2	7.70	518,000	1.30M	630,000	-
Other Class A	5.32M	9.4	12.0	11.2	0.8	9.57	13,000	34,000	67,000	475,000
All Other Industrial	122.90M	6.7	7.7	7.0	0.8	9.51	265,000	58,000	-	1.96M
Total	142.87M	10.3	10.2	9.5	0.7	8.81	796,000	1.39M	698,000	2.44M

Source: CBRE Research, Q3 2026

Market Statistics by Product Type

Figure 8

Product Type	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Distribution/Logistics	107.36M	12.3	11.8	11.1	0.7	8.01	748,000	1.58M	698,000	535,000
Manufacturing - General	22.92M	2.5	3.5	2.7	0.8	8.27	(48,000)	(98,000)	-	1.90M
R&D/Flex	10.65M	8.0	10.1	9.6	0.5	13.79	96,000	(76,000)	-	-
Other Industrial	1.94M	1.6	1.6	1.6	-	8.00	-	(9,000)	-	-
Total	142.87M	10.3	10.2	9.5	0.7	8.81	796,000	1.39M	698,000	2.44M

Source: CBRE Research, Q3 2026

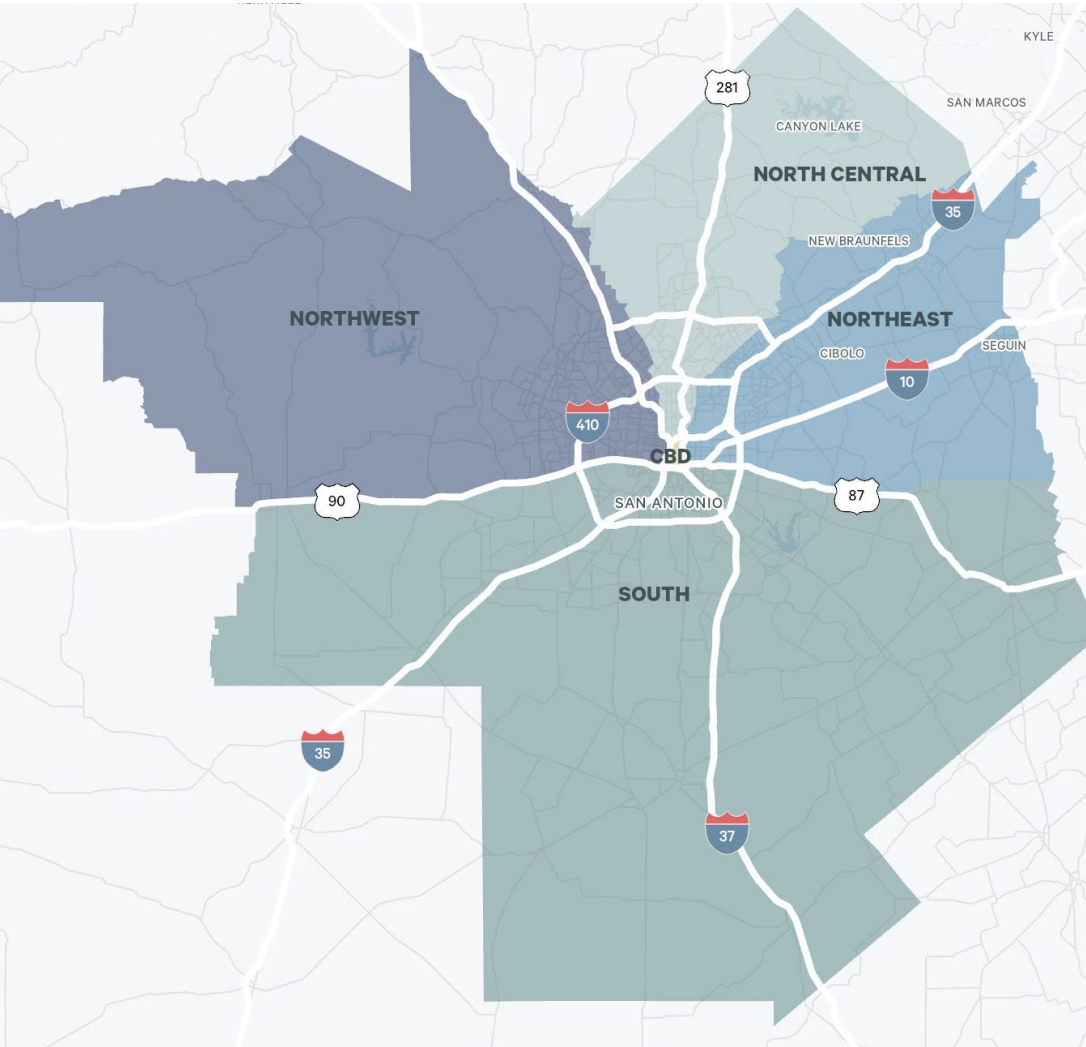
Market Statistics by Size

Figure 9

Size Range	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Below 50K SF	24.66M	6.6	7.7	7.2	0.5	11.93	(81,000)	(437,000)	-	-
50K-99,999 SF	24.52M	8.1	10.4	9.2	1.2	8.90	(66,000)	25,000	67,000	60,000
100K-249,999 SF	42.53M	14.8	14.9	13.8	1.2	8.70	681,000	836,000	209,000	215,000
250K-499,999 SF	24.41M	15.4	11.6	11.2	0.4	7.28	262,000	329,000	422,000	664,000
500K-749,999 SF	7.46M	11.4	11.4	11.4	-	6.25	-	640,000	-	500,000
750,000 SF +	19.29M	0.8	0.8	0.8	-	6.25	-	-	-	1.00M
Total	142.87M	10.3	10.2	9.5	0.7	8.81	796,000	1.39M	698,000	2.44M

Source: CBRE Research, Q3 2026

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

Survey Criteria

Includes known market relevant industrial buildings 20,000 sq. ft. and greater in size in the greater metropolitan area of San Antonio, TX. Buildings which have begun construction as evidenced by site excavation or foundation work.

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